




CITY OF SANTA FE

Memorandum

Date: April 24, 2025

To: Governing Body; Public Works and Utilities Committee; Finance Committee

From: Jesse Roach, Interim Public Utilities Director 
JR

RE: Wastewater rate adjustments

EXECUTIVE SUMMARY:

This bill would increase the rates for wastewater utility service for the next ten years. The average wastewater bill would increase about \$1 per month each year, going from \$21 per month in 2025 to \$29 per month in 2034.

BACKGROUND AND JUSTIFICATION:

In the past several years the Paseo Real Water Reclamation Facility (PRWRF) has experienced operational disruptions resulting in difficulties meeting water quality standards in effluent discharged to the lower Santa Fe River. As a result of these noncompliance events, The City received an Administrative Order from the federal Environmental Protection Agency in March of 2024 and an Administrative Compliance Order from the New Mexico Environment Department in May of 2024.

These disruptions have been addressed in the short term, and PRWRF has met E.coli discharge standards for more than 6 months, but a long-term solution is needed. That solution must address updates to ageing and in some cases obsolete infrastructure at PRWRF. This solution may take the form of a large rehabilitation, or a replacement of some or all plant components. Based on a recent study done at PRWRF by Carollo Engineering, the cost of rehabilitation is estimated to be on the order of 180 million dollars. Although the specific infrastructure solution decision is waiting on additional information gathering efforts currently underway, 180 million is assumed to be the minimum utility investment that will be required to achieve a long-term solution.

Current wastewater rates do not generate sufficient revenue to fund this capital investment need. Based on consultant analysis, staff recommend ten years of annual 4% increases to wastewater revenues starting as soon as possible to fund these improvements. Low interest loans are currently being put in place to fund a large portion of this investment, and the ability to secure and pay for the loans will require increased revenues. The result of this rate increase for an average wastewater user (2800 gallons wastewater generated per month) will be approximately \$1/month increase each year, taking the bill from \$21 per month in 2025 to \$29 per month in 2034.

ATTACHMENTS:

Bill
FIR